

Vouchers and Coupons

Many businesses are taking advantage of new coupon marketing companies such as Groupon, Living Social and Half-Off Deals. While these sites are great for promotions, licensees need to be aware that selling coupons and/or vouchers for alcohol sales are not permitted.

While gift cards and gift certificates for alcoholic beverage sales are permitted, (See, KRS 244.105, 804 KAR 1:120, Section 3), rebate coupons by all retailers (drink and package sales) are prohibited. Only producers of alcoholic beverages are permitted to advertise by use of rebate coupons for off-premise consumption, which applies to package sales, (See, KRS 244.461(1), 804 KAR 1:120, Section 4). Had the legislature intended to permit retailer coupons, they would have listed retailers in KRS 244.461(1).

A “coupon” is a detachable certificate that entitles the customer to a discount on a purchase. A customer who uses a discounted gift certificate gets a discount on the purchase of alcoholic beverages since he can buy a gift certificate for a reduced face value. As such, the department views a discounted retailer gift certificate as merely a retailer rebate coupon. This is in violation of KRS 244.461 since a consumer receives a purchase discount on alcoholic beverages by use of the certificate. As such, the department believes that discounted gift certificates violate KRS 244.461(1), and any advertising of such promotions violates 804 KAR 1:100 Section 8.

If you have any questions on promotions you are considering, please call our office.